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PP RUEHWEB

DE RUEHCP #0288/01 1370534
ZNR UUUUU ZZH
P 160534Z MAY 08
FM AMEMBASSY COPENHAGEN
TO RUEHC/SECSTATE WASHDC PRIORITY 4251
INFO RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY

UNCLAS COPENHAGEN 000288

SENSITIVE
SIPDIS

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STATE ALSO FOR G, OES, EUR, AND EUR/NB

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [SENV](#) [DA](#)
SUBJECT: YOUR PARTICIPATION IN THE ARCTIC OCEAN CONFERENCE
IN GREENLAND

REF: COPENHAGEN 140

¶1. (SBU) John, I'm looking forward to seeing you in Greenland at the end of the month. As OES prepares your substantive participation in the conference, I wanted to continue our conversation from Crawford and offer a few additional thoughts on Greenland and its importance to U.S. interests.

¶2. (SBU) For many, the U.S. presence in Greenland is still synonymous with Thule Air Base in northwest Greenland, our northernmost military installation in the world. Thule has long played a key role in defending North America against ballistic missile attack. In 2004, the U.S., Denmark, and Greenland signed the Igaliku agreements, clearing the way for an upgrade to our early warning radar in Thule for use as part of our national and allied missile defense architecture.

¶3. (SBU) We have upgraded our non-defense cooperation with Greenland as well, to their benefit and ours. The Igaliku agreements created a U.S.-Denmark-Greenland Joint Committee, which focuses on strengthening cultural, educational, scientific, technical, and commercial ties. The National Science Foundation, NASA, and other USG agencies support research in Greenland that advances our understanding of global climate change. Those scientific missions are supported by the New York Air National Guard's 109th Air Wing, which operates the USG's only fleet of ski-equipped C-130s and ferries scientists and equipment to research stations across Greenland's inland ice sheet. The State Department offers a growing number of exchange opportunities to emerging Greenlandic leaders, and has dispatched an English language fellow to some of Greenland's smallest and most remote communities.

¶4. (SBU) Greenland has tremendous commercial potential for U.S. companies. The U.S. aluminum giant Alcoa last year signed an MOU with Greenland's Home Rule Government to construct an aluminum smelter and associated hydropower generation facility there. When completed, this investment is expected to top USD 3 billion, making it the largest single U.S. investment ever in the Kingdom of Denmark. Chevron and ExxonMobil are part of an international consortium exploring off Greenland's western coast, and the U.S. Geological Survey is completing an assessment of Greenland's potential oil and gas reserves. Its initial findings suggest Greenland might have reserves to rival Alaska's North Slope. To help the Greenlanders secure the investments needed for such exploitation, I recently introduced Home Rule Premier Enoksen and Minister of Finance and Foreign Affairs Aleqa Hammond to some of our top U.S. financial institutions in New York. U.S. tourists, meanwhile, are increasingly drawn to Greenland's rugged beauty, and cruise activity along Greenland's coasts is expected to increase dramatically in the years ahead.

15. (SBU) So you can see why I am convinced that Greenland's importance to U.S. interests will grow. Thanks to geography, historical ties and the Igaliku agreements, the United States has the inside track when competing for influence in Greenland (even as the Chinese have now started making regular visits). Embassy Copenhagen has proposed a seasonal American Presence Post in Nuuk, Greenland's capital, that would draw on our existing staff complement to put an American officer on the ground in Greenland for about four months each year. I also hope to increase high-level U.S. interest in Greenland by continuing to attract visits like yours and those of John McCain in 2006 and Nancy Pelosi last year (along with two other large congressional delegations).

16. (SBU) The need for our engagement is underlined by Greenland's steady march towards eventual independence. On May 6 Greenland and Denmark concluded the outlines of a new Self Rule Agreement for Greenland, widely viewed as the penultimate step to independence. When the agreement enters into force next year, Greenland will take on even more autonomy, and will be granted additional foreign affairs authorities, particularly in relation to its commercial ties with other states. Independence may be many years off, and will likely only happen if significant oil and gas deposits pan out. However, we have a unique opportunity to position ourselves now to shape Greenland's (and Denmark's) approach.

17. (SBU) As co-hosts for the conference, the Greenlanders will highlight their own particular priorities in Ilulissat. They are focused on the impact of climate change on indigenous populations and ways to promote sustainable economic growth in the Arctic. Greenland's views do not

always line up with Denmark's. Whereas the Danes regard Greenland as a climate change bellwether (the metaphorical canary in the coal mine), the Greenlanders are more ambivalent, recognizing these changes also bring new commercial possibilities for tourism, fishing and cruise traffic.

18. (SBU) The Danish and Greenlandic relationship is characterized and shaped by amity and anxiety, and you will likely see both on display in Ilulissat. Fortunately, both countries still maintain great goodwill toward the U.S., allowing us to intensify our engagement with both as they further define their relationships with each other and the wider world. John, have a safe trip, and I will see you soon in Ilulissat. Best, Jim
CAIN